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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/739,771	12/20/2000	Jean-Charles Javerlhac	108154.01	5446
25944	7590	08/13/2004	EXAMINER	
OLIFF & BERRIDGE, PLC P.O. BOX 19928 ALEXANDRIA, VA 22320			KOPPIKAR, VIVEK D	
		ART UNIT	PAPER NUMBER	
		3626		

DATE MAILED: 08/13/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/739,771	JAVERLHAC, JEAN-CHARLES	
	Examiner	Art Unit	
	Vivek D Koppikar	3626	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on 20 December 2000.
- 2a) This action is **FINAL**. 2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) Claim(s) _____ is/are allowed.
- 6) Claim(s) 1-20 is/are rejected.
- 7) Claim(s) _____ is/are objected to.
- 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on 20 December 2000 is/are: a) accepted or b) objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 - a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413)
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	Paper No(s)/Mail Date. _____.
3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)	5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)
Paper No(s)/Mail Date _____.	6) <input type="checkbox"/> Other: _____.

DETAILED ACTION

Status of Application

1. This communication is in response to the application filed on December 20, 2000. The application is a continuation in part of application with the serial number 09/735,908. As of the date of this communication no IDS (Information Disclosure Statement) has been filed by the applicants. Claims 1-20 are pending and have been examined.

Claim Objections

2. Claim 18 is objected to because of the following informalities: In line 30 the examiner recommends writing out the abbreviation for VAT as value-added tax. Appropriate correction is required.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. Claims 1-20 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the

"progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

5. In the present case, claims 1-20 recite only abstract ideas. For example, in Claim 1 the recited steps of merely establishing an insurance contract where a client pays a premium, investing a portion of the premium and reimbursing the client at the end of a predetermined duration do not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper. These steps only constitute an idea of how to select an insurance policy over another. The remaining claims also do not recite or do not apply, involve, use or advance the technological arts.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case, the claimed invention merely sets up an insurance policy to enable a client to purchase the policy and sets forth the terms and conditions of the insurance policy.

Although the recited claims produce a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claims 1-20 are deemed to be directed to non-statutory subject matter.

To overcome the above set forth 35 USC 101 rejections the examiner recommends amending the claims to recite technological features in the bodies of the claims.

Claim Rejections - 35 USC § 102

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

6. Claims 19-20 rejected under 35 U.S.C. 102(a) as being anticipated by US Patent Number 6,049,772 to Payne.

Payne is directed towards a system for managing hedged investments for life insurance companies.

As per claim 19, which is directed towards a system for issuing an insurance policy, Payne teaches a means for inputting the duration of the contract, means for inputting the nature of the property to be insured, means for calculating, where appropriate, the total of the premiums due during the duration of the contract as a function of the nature of the property to be insured, means for inputting the amount of an initial sum paid by a client, means for delivering information relating to the earnings that can be made to the advantage of the client by an investment relating to at least a fraction of the initial sum and made by the insurer and means for printing an insurance policy including at least the duration of the contract, the amount of the initial sum paid by the client, the nature of the property, and the information relating to the income that can be earned by the investment (Figures 2-3; Col. 2, Ln. 30-50; Col. 3, Ln. 1-8; Col. 3, Ln. 60-Col. 4, Ln. 8).

As per claim 20, which is directed towards an insurance policy, Payne teaches a contract duration, the amount of an initial sum paid by the client, the nature of the property insured, and

information relating to the income that can be earned to the benefit of the client by an investment relating to at least a fraction of the initial sum paid by the client (Figures 2-3; Col. 2, Ln. 30-50; Col. 3, Ln. 1-8; Col. 3, Ln. 60-Col. 4, Ln. 8).

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 1-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent Number 6,049,772 to Payne in view of Barron's "The Dictionary of Insurance Terms" 4th Edition (2000) (hereafter referred to as Barron's).

Payne is directed towards a system for managing hedged investments for life insurance companies while Barron's is a dictionary of insurance terms.

As per claim 1, which is directed towards an insurance method, Payne teaches the steps of establishing a contract between a client to be insured and an insurer ready to insure the client against possible claims, in which contract the client pays the insurer an initial sum covering at least the costs of insurance over a predetermined duration and investing a portion of the initial sum so that the invested sum earns income (Col. 2, Ln. 30-50 and Figure 2).

Payne does not teach or suggest that at the end of the predetermined duration the client is reimbursed the sum that is a function of the income earned by the investment made by the insurer and of the claims the insurer has had to indemnify during the predetermined duration.

However this feature is well known in the art as cash surrender value as defined by Barron's. At

the time of the invention, one of ordinary skill in the art would have been motivated to modify the policy of Payne to include a cash surrender value to provide a monetary incentive for a customer to purchase the insurance policy of Payne.

As per claims 2-3, the concept of cash surrender value implies that the cash value of the policy increases as the number of claims decrease and if there are no claims then a major fraction of the income earned by the investment is returned (if there are no claims the investment income is not used to pay these claims so a greater portion of it can be returned to the client).

As per claim 4, in Payne the investment is guaranteed at a minimum rate (Col. 3, Ln. 26-27).

As per claim 5, the concept or feature in an insurance policy in which the client is given the option of signing an addition to the contract while it is in force to enable the client to pay in an additional sum in the event of the insured risk is known as supplemental insurance (Barron's).

As per claim 6, the concept or feature in an insurance policy in which the client is given the option of signing an addition to the contract while it is in force to enable the client to withdraw a sum in the event of the risk decreasing is illustrated by the concept in insurance known as good driver or good student discount (Barron's).

As per claim 7, in Payne the predetermined duration is longer than a determined duration set by legislation and enabling a tax advantage to be obtained (Col. 3, Ln. 32-42).

As per claim 8, in the concept of cash surrender value the reimbursement is made in the form of a lump sum (Barron's).

As per claim 9, in Payne the reimbursement is made in the form of an annuity in one embodiment (Col. 3, Ln. 43-45).

As per claim 10, the recited risks are within the scope of Payne (Col. 1, Ln. 9-15).

As per claim 11, the concept or feature in an insurance policy in which the initial sum paid by the client is greater than the total of the premiums paid in advance is known as prepaid insurance (Barron's).

As per claim 12, the concept or feature in an insurance policy in which the initial sum paid by the client is less than the total of the premiums due during the period of the contract, with at least a fraction of the earnings being used to pay at least a fraction of the premiums is known as deposit premium (Barron's).

As per claim 13, in Payne the duration is greater than one year (Col. 4, Ln. 54-59).

As per claim 14, it is commonly known in the art as the longer the duration of an investment the greater the returns and the examiner takes Official Notice. It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the option of a longer duration contract being more advantageous in terms of returns since the longer the duration the more time there is to diversify the investment to earn more money on the investment.

Further, since the knowledge and use of long duration contracts in insurance and investments, in general, has clearly existed in the art prior to Applicant's claimed invention and the courts have held that even if a patent does not specifically disclose a particular element, said element being within the knowledge of a skilled artisan, the patent taken in combination with that knowledge, would put the artisan in possession of the claimed invention. *In re Graves*, 36 USPQ 2d 1697 (Fed. Cir. 1995).

As per claim 15, in the concept of cash surrender value, as noted above, the insurer makes a present to the client of at least a portion of the costs of insurance in the absence of any claim (Barron's).

As per claim 16, it is commonly known in the insurance industry (as illustrated by Barron's) that an insurance company spreads out its risk with a reinsurance company in order to provide a financial safety net for an insurance company (Barron's).

As per claims 17-18, which are directed towards a method of insuring apparatus for locomotion on land, in the air, or at the sea, Payne is directed towards a system for managing hedged investments for life insurance companies while Barron's is a dictionary of insurance terms.

Payne teaches the steps of establishing a contract between a client to be insured and an insurer ready to insure the client against possible claims, in which contract the client pays the insurer an initial sum covering at least the costs of insurance over a predetermined duration and investing a portion of the initial sum (which as been paid to the insurer) so that the invested sum earns income (Col. 2, Ln. 30-50 and Figure 2).

Payne does not teach or suggest that at the end of the predetermined duration the client is reimbursed with a sum that is a function of the income earned by the investment made by the insurer and of the claims the insurer has had to indemnify during the predetermined duration. However this feature is well known in the art as cash surrender value as defined by Barron's. At the time of the invention, one of ordinary skill in the art would have been motivated to modify the policy of Payne to include a cash surrender value to provide a monetary incentive for a customer to purchase the insurance policy of Payne.

Conclusion

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to **Vivek Koppikar** whose telephone number is **(703) 305-5356**.

The examiner can normally be reached on Monday-Friday from 8 AM to 5 PM, Eastern Time.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas, can be reached at (703) 305-9588. The fax phone number for the organization where this application or proceeding is assigned are (703) 872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

VK

Vivek Koppikar

8/9/04

Alexander Kalinowski

ALEXANDER KALINOWSKI
PRIMARY EXAMINER